

## **REGENERATION, COMMUNITY AND CULTURE OVERVIEW OVERVIEW AND SCRUTINY COMMITTEE**

**7 APRIL 2015**

### **MEMBER'S ITEM: CLOSURE OF TESCO STORE IN CHATHAM**

Report from: Director of Regeneration Community and Culture

Author: Sunny Ee, Chatham Regeneration Manager

#### **Summary**

This report sets out a response to a request from Councillor Griffiths for information relating to the impact of the decision by Tesco to close its Chatham store.

#### **1. Budget and Policy Framework**

- 1.1 Under Medway Constitution Overview and Scrutiny rules (Chapter 4, Part 5, Paragraph 9.1) Councillor Griffiths has requested that an item on this matter be included on the agenda for this meeting.

#### **2. The Issue**

- 2.1. The issue raised by Councillor Griffiths is the impact of the decision by Tesco to close its Chatham store, including the impact of redundancy for the staff and the impact on the economic offer in Chatham alongside the potential for regeneration.

#### **3 Director's comments**

- 3.1 Council officers have been in contact with Tesco and are providing support where they can. The store will be closed as of the 5 April 2015 and Tesco is currently discussing the possibility of redeploying 121 employees, which is the equivalent of 63 full time posts. Tesco has stated that it will continue discussing alternative opportunities with its staff throughout the consultation

period, to understand their individual circumstances, right up to the point of closing the store.

- 3.2 Job Centre Plus (JCP) have been very proactive and, in partnership with Tesco and the National Careers Service (NCS) are currently delivering redundancy talks to staff in advance and beyond the official redundancy confirmation date 19 March 2015.
- 3.3 JCP/NCS services that can be used by staff including advice on training/employability skills, drafting CVs/covering letters, interview techniques, 1-2-1 careers advice and available benefits, if there is a gap in employment. In addition Go-train courses will be offered to Tesco staff, which include money advice and additional support for literacy and numeracy needs.
- 3.4 Once the store closes, any staff who have an employment gap and begin to claim benefits will immediately be taken on by JCP who will attempt to match them to suitable vacancies. Claimants will be seeing their allocated coach every 1 to 2 weeks, alongside being messaged suitable vacancies inbetween.
- 3.5 Tesco have assigned agents Morgan Williams to begin marketing the store for either disposal or letting from the 5<sup>th</sup> April. They are currently considering all options including letting to other supermarkets and discount food shops.
- 3.6 Tesco's willingness to look at all options for the store is positive and encouraging. Subject to the success of Tesco's marketing exercise this could mean a minimum amount of disruption to the town centre's offer. Taking into account the poor performance of the store that led to its closure, this could provide the opportunity for a more successful business with a greater contribution to the town centre in both offer and employment.
- 3.7 Tesco have told Council officers that the closure of the store will have no immediate effect on the tenure of the adjoining business; Coslo Homeplus which is a direct tenant of Tesco. The medium to long term future of the business' tenure will be dependent on the outcome of Tesco's marketing exercise.

#### 4. Risk Management

##### 4.1

Risk	Description	Action to avoid or mitigate risk
Store is empty for an extended period.	Subject to the success of the marketing there may not be an immediate demand for letting the store.	Tesco are keen to find a solution as quickly as possible business rates will be payable regardless of whether the store is occupied or not. They are also very flexible in who

		will be able to let the store so if there is a demand they should be able to tap into it.
The store is let for a use that would be considered inappropriate for the town centre.	In attempting to let or dispose of the store as quickly as possible Tesco may consider tenants/owners for inappropriate uses.	The Council will continue to liase with Tesco to ensure we are up to date on potential lets and are in a position to flag any issues with potential tenants early on in the process. The Council will be as flexible as possible to ensure as many options and potential uses can be applied to the site where appropriate. Certain changes of use will require planning permission.

## 5. Financial and Legal Implications

- 5.1 Rule 9.1 of the Overview and Scrutiny rules in the Council's Constitution provides that any member of an Overview and Scrutiny Committee is entitled to give notice that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for the next available meeting of the Committee. This is to comply with the requirements of section 9FC Local Government Act 2000. The consideration of this item is therefore a proper matter for this Committee.

## 6. Recommendation

That:

- 6.1 Overview and Scrutiny Committee note the context of the report.
- 6.2 Council officers continue to liase with Tesco and provide support where possible and appropriate to minimise the disruption to the town centre's offer. This will include Property, and Planning Teams and where necessary employment support through JCP in conjunction with Employ Medway.

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### Background Papers

None